

## Message Text

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22

ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

ABF-01 FS-01 /086 W

----- 100985

R 070426Z FEB 76

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 6050

INFO AMEMBASSY BANGKOK

AMEMBASSY PARIS

AMCONSUL HONG KONG

CINCPAC

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DEPT ALSO PASS AID

CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, EFIN, EAID, LA

SUBJECT: PROBLEMS CITED BY OFFICIALS OF NATIONAL BANK OF LAOS

REF: VIENTIANE 0314 (060825Z FEB 76)

1. FOLLOWING IS ELABORATION OF PROBLEMS PRESENTED TO  
EMBASSY DELEGATION DURING CALL ON PRESIDENT OF NATIONAL  
BANK OF LAOS FEBRUARY 6 (REFTEL):

2. FIRST PROBLEM HAS TO DO WITH "ESCROW ACCOUNT  
NUMBER 3" WHICH NBL MAINTAINS AT CHASE-MANHATTAN BANK  
IN NEW YORK. THIS ACCOUNT WAS APPARENTLY ESTABLISHED  
AROUND 1970 (NBL OFFICIALS WERE BAGUE AS TO DATE) AND  
HAS CURRENT BALANCE OF ABOUT US\$78,000. IT APPARENTLY  
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WAS USED FOR FUNDING OF IMPORTS. NBL OFFICIALS SEEMED

TO THINK ACCOUNT WAS NOT BLOCKED BUT COULD OFFER NO SPECIFICS. WE TOLD THEM THAT TO BEST OF OUR KNOWLEDGE USG HAD NOT FROZEN ANY LAO FUNDS, OTHER THAN ACCOUNT OF LAO EMBASSY PHNOM PENH WITH FRENCH-AMERICAN BANKING CORPORATION OF NEW YORK WHICH WAS PROMPTLY UNFROZEN LAST JUNE AT FOREIGN MINISTRY'S REQUEST. NBL OFFICIALS SAID THEY HAD SENT A TELEX MESSAGE TO CHASE-MANHATTAN APPROXIMATELY ONE MONTH AGO BUT HAD RECEIVED NO REPLY. (COMMENT: WE POINTED OUT THAT THE CHASE WAS A LARGE INSTITUTION WITH MANY DEPARTMENTS AND MANY ACCOUNTS, BUT NBL OFFICIALS HAD NO FURTHER SPECIFICS AT HAND. WE RECOMMEND THAT, IN ORDER TO OBLIGE THEM AT WHAT MAY BE IMPORTANT JUNCTURE IN OUR FINANCIAL DEALINGS, DEPT QUERY CHASE ON BASIS LIMITED INFORMATION SET FORTH ABOVE. WE WILL MEANWHILE TRY TO OBTAIN FURTHER DETAILS.)

3. SECOND PROBLEM, WHICH NBL PRESIDENT SAID HAD BEEN DISCOVERED BY "THE ACCOUNTANTS," CONCERNS A KIP ACCOUNT IN NBL ITSELF (NUMBER 5002) TO WHICH RLG EVIDENTLY DEPOSITED COUNTERPART FOR SPECIAL LETTER OF CREDIT OPENED BY OR THROUGH USAID UNDER THE FORMER U.S. IMPORT PROGRAM (USIP). AT THE OUTSET THE RLG EVIDENTLY DEPOSITED MORE THAN 200 MILLION KIP, ALL OF WHICH IS ACCOUNTED FOR EXCEPT THE SUM OF KIP 30,597,459. ACCOUNT NUMBER 5002 IS THEREFORE CONSIDERED TO STAND IN "NEGATIVE BALANCE." IT APPEARS THAT NBL SIMPLY LACKS INFORMATION AS TO THE ACCOUNTING FOR OR DISPOSITION OF THIS AMOUNT, NOT THAT ANY RESTITUTION OF IT IS BEING SOUGHT. (COMMENT: ASSUME IT WILL BE NECESSARY IN THIS CASE TO CONSULT PERSONS FORMERLY ASSIGNED TO USAID/LAOS WHO ARE FAMILIAR WITH USIP AND COUNTERPART-FUND OPERATIONS.)

4. ACTION REQUESTED: EARLY RESPONSE ON BOTH OF THESE MATTERS, EVEN IF USG'S ONLY IMMEDIATE CONTRIBUTION CAN BE FURTHER DEFINITION OF ANY PROBLEMS THAT MAY EXIST. WHILE WE FEEL NO PARTICULAR OBLIGATION TO LAO GOVERNMENT AS A WHOLE-- WHICH AFTER ALL WRONGFULLY FROZE OUR ACCOUNTS FOR ALMOST FIVE MONTHS-- LIMITED OFFICIAL USE

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WE ARE IMPRESSED WITH APPARENT REASONABLENESS AND RELATIVE PRAGMATISM OF NEW NBL PRESIDENT AND WOULD LIKE TO RECIPROCATATE.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BLOCKED ASSETS, MEETINGS, BANK ACCOUNTS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976VIENTI00322  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760047-0666  
**From:** VIENTIANE  
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**Office:** ACTION EA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Handling Restrictions:** n/a  
**Reference:** 76 VIENTIANE 314  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
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**Status:** NATIVE  
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**TAGS:** PFOR, EFIN, EAID, LA, US, NATIONAL BANK OF LAOS, CHASE-MANHATTAN BANK  
**To:** STATE  
**Type:** TE  
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